

Kliner

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News in Brief

This will be the year in which K mart Corporation "reaps a harvest of benefits from the seeds of change planted during the past 36 months," says Board Chairman Bernard M. Fauber in an address on September 30 made to the New York Society of Security Analysts.

Fauber noted that corporate-wide sales for the world's second largest nonfood retailer will "comfortably exceed \$18.5 billion" in fiscal 1983. He also predicted that annual sales will reach "\$25 billion in 1983, a 10% increase over 1982." He attributed K mart's record sales and earnings in the two latest quarters largely to new merchandising strategies. He added that the company's diversification into profitable areas such as off-price specialty apparel stores and cafeteria-style restaurants would bring future rewards.

He also says that sophisticated electronic systems and store management restructuring underscores the corporation's competitive position.

Fauber focused on K mart's new direction in merchandising, which primarily involves upgrading the appearance of stores and the quality of product lines. "Contrary to our 1960's target market... we are no longer primarily a blue-collar, lower-income type of operation," he says. He added that K mart is the most frequently-shopped general merchandise store in America today and that "nearly 52% of the American population has been inside a K mart store at least once during the past 30 days."

The many changes in merchandising programs and operating strategies, Fauber says, are to adapt to America's changing demographics. "We anticipate growth in the age group from 25 to 44," always a key

market for mass merchandisers.

Fauber outlined some of the corporation's latest diversification efforts, such as the sale of insurance in selected K mart stores through the K mart Insurance Services subsidiary. Among other promising ventures cited by Fauber were the Designer Depot off-price specialty apparel stores and two cafeteria chains, Furr's and Bishop Buffets. All of these developments, Fauber says, are part of the K mart spirit of "change, adaptation and innovation." He concluded, "The future isn't what it used to be—for K mart it's even better."

K mart reported an estimated 8.8% increase in sales for the five-week period ended September 28.

Consolidated sales volume was approximately \$1,643,196,000, compared with \$1,510,636,000 for the same period in 1982. For the year-to-date, sales were \$11,638,789,000 this year, an increase of 11.4% over the \$10,451,696,000 posted for the first 35 weeks of 1982.

Comparable-store sales—those from K mart stores open at least one year—were up 7.1% this September over those for the same period last year.

Patterns of sales strengths reflected weather and the introduction of new merchandising concepts, observed Board Chairman Bernard M. Fauber. "Particularly in the apparel lines, sales were strong when temperatures were seasonably cool," Fauber says. "In addition, K mart stores that have received our new merchandising programs far outpaced those yet to be converted."

Fauber added that the tone of sales remains upbeat. "Once fall weather is here to stay, we expect to see a return to double-digit sales increases," he says.

The consolidated sales performance includes results from 2,138 K mart discount department stores this year, compared with 2,091 last year. Among other contributors to sales are Designer Depot, Kresge and Jupiter stores and Furr's Cafeterias, Inc.

The Board of Directors on October 18, 1983 approved a cash dividend to be paid on December

12, 1983, on the outstanding shares of the corporation's common stock to holders of record on November 18, 1983, in the amount of 27¢ per share.

In October and November of this year, K mart opened four additional stores on the Caribbean island, Puerto Rico. We'd like to extend our welcome with the following message:

A nuestros compañeros que a través de su esfuerzo—a veces bajo condiciones difíciles—han hecho posible el crecimiento de K mart, en Puerto Rico, nuestro reconocimiento y agradecimiento. Uds. ya son parte de la Familia K mart.

A aquellos de reciente ingreso en la Compañía, para llevar a cabo nuestro ambicioso plan de crecimiento, en tan bello país, nuestra Bienvenida!

Vuestro ingreso en nuestra Compañía les confiere el derecho filial de pertenecer a la Familia Internacional K mart.

Esta Familia mas que compañerismo de labores, es un vínculo internacional para todos aquellos que tenemos el honor de trabajar en la Organización K mart, en cada uno de nosotros —tienen un amigo y colaborador.

Nuestros mejores deseos, para el crecimiento individual de cada uno de Uds., dentro de la Organización.

K mart tiene una joya y esa joya es "La Perla del Caribe."

Translation:

To our fellow workers that through their efforts—sometimes in most adverse conditions—have made possible K mart's growth, in Puerto Rico, our recognition and a heart-felt thank you. You already belong to the K mart family.

To those that have recently joined the company to carry out our ambitious growth program, in your beautiful country, our welcome.

Your entry into our company gives you the filial right to belong to the International K mart family.

This family more than a sharing of labors, is an international link, for all of us that have the honor of working for the K mart organization. In any one of us you have not only a co-worker, but also a friend.

Our best wishes for your individual development within the organization.

K mart has a jewel in the "Pearl of the Caribbean."

Store Openings

Region	Tentative Opening
C 3325 - St. Clairville, OH	Nov. 17
C 7905 - Alliance, OH	Nov. 17
E 7340 - Durham, NC	Nov. 3
E 9780 - Shrewsbury, PA	Nov. 10
M 7906 - Portage, IN	Nov. 17
M 7907 - Grafton, WI	Nov. 3
S 7915 - Gainesville, GA	Nov. 3
S 9740 - Centra, AL	Nov. 3
S 9788 - Mayaguez, PR	Nov. 9
S 9789 - Richmond, VA	Nov. 17
W 7195 - Goleta, CA	Nov. 17
W 7577 - Livermore, CA	Nov. 10
W 7580 - Roseburg, OR	Nov. 17
W 7586 - Las Vegas, NV	Nov. 3
W 7902 - Aberdeen, WA	Nov. 3
W 9323 - Price, UT	Nov. 3
W 9794 - St. George, UT	Nov. 17

Designer Depots

C 2020 - Louisville, KY	Nov. 3
C 2022 - Indianapolis, IN	Nov. 3
C 2023 - Dayton, OH	Nov. 3
C 2024 - Louisville, OH	Nov. 17
C 2028 - Kettering, OH	Nov. 17
C 2030 - Louisville, KY	Nov. 17
E 2021 - Bensalem, PA	Nov. 22
E 2025 - Norristown, PA	Nov. 22